

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

FILED

SEP 5 2001

TIMOTHY H. WALBRIDGE, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OKLAHOMA

| | | |
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| IN RE: |) | |
| TERRY W. REED, |) | No. 01-01381-M |
| |) | (Chapter 7) |
| Debtor. |) | |
| AMERICAN AIRLINES EMPLOYEES |) | |
| FEDERAL CREDIT UNION, a not-for- |) | |
| profit corporation, |) | |
| Plaintiff, |) | |
| vs. |) | Adversary No. 01-0278-M |
| |) | |
| TERRY W. REED, |) | |
| Defendant. |) | |

AGREED JOURNAL ENTRY OF JUDGMENT

On this 5th day of September, 2001, this captioned matter came before this Court upon the agreement of the parties that the Debtor, Terry W. Reed, confesses the allegations made by American Airlines Employees Federal Credit Union ("American Airlines"), in its adversary proceeding filed herein on June 14, 2001. The Plaintiff appears by its signature on this Agreed Journal Entry of Judgment; the Debtor/Defendant appears personally and through his counsel by way of their respective signatures affixed to this Journal Entry.

The Court finds that American Airlines should be granted judgment against the Defendant/Debtor, Terry W. Reed, for the principal amount of \$14,066.73 based upon the following stipulations of law and fact:

1. On or about September 27, 1998, the Debtor applied for and obtained an education loan from American Airlines in the principal sum of \$16,210.13. This loan was to bear interest at the rate of 9.5% per annum until said sum was paid in full.
2. That on or about March 28, 2001, the Debtor defaulted under the terms of the loan and sought discharge of the indebtedness under Chapter 7 of the United States Bankruptcy Code.

3. On April 9, 2001, American Airlines timely filed its Proof of Claim for this principal sum of \$14,066.73 alleging that its claim was a non-dischargeable educational loan.

4. On June 14, 2001, American Airlines timely filed its adversary complaint objecting to the discharge of the Defendant/Debtor's educational loan with American Airlines.

5. The Debtor, upon advice of his legal counsel, Robert A. Todd, has stipulated and agreed to waive formal service of process of the adversary complaint and summons, a copy of the adversary complaint having been delivered to Debtor/Defendant's legal counsel by American Airlines' counsel on or about June 15, 2001. By his signature and the signature of his legal counsel, the Defendant/Debtor formally acknowledges his entry of appearance in this adversary proceeding; his voluntary waiver of formal service of process; and his acknowledgment that jurisdiction and venue of American Airlines' adversary proceeding is proper in this court.

6. The Defendant agrees and stipulates that his loan with American Airlines is properly construed as a non-dischargeable educational loan under 11 U.S.C. § 523(8).

7. The Debtor further agrees and stipulates that his educational loan from American Airlines has greatly benefited him in that it has furthered his education, training and career potential.

8. The Debtor further stipulates and agrees that this Court's denial of the discharge of his educational loan with American Airlines will not and does not present an undue hardship to him.

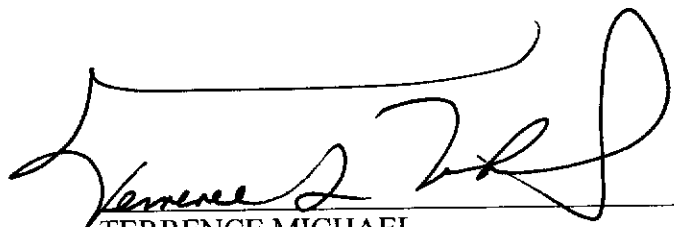
9. The Debtor further agrees and stipulates that as of March 28, 2001, he owed the principal sum of \$14,066.73 plus interest accrued and accruing at 9.5% per annum.

10. Based upon these stipulations and the agreement between the parties, the Defendant/Debtor has authorized American Airlines to deduct from his payroll the biweekly sums stated in the loan document as payments toward the indebtedness and this judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Plaintiff, American Airlines Employees Federal Credit Union, have and recover judgment of and from the Debtor/Defendant, Terry W. Reed, for the principal sum of \$14,066.73 as of March 28, 2001, plus interest accrued and accruing.

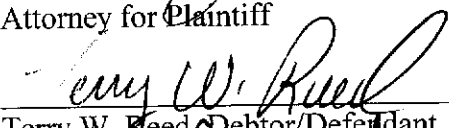
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the amount found to be due to American Airlines Employees Federal Credit Union by the Defendant/Debtor, Terry W. Reed, is a non-dischargeable debt pursuant to 11 U.S.C. § 523(8) and, therefore, said debt and this Journal Entry are not subject to Debtor/Defendant's rights under his Chapter 7 bankruptcy filing in the United States Bankruptcy Court for the Northern District of Oklahoma, Case No. 01-01381-M.

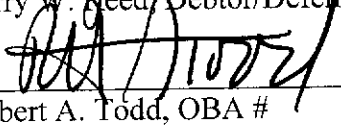
IT IS SO ORDERED.


TERRENCE MICHAEL
JUDGE OF THE BANKRUPTCY COURT

Approved as to form and content:


Anthony P. Sutton, OBA #8781
Attorney for Plaintiff


Terry W. Reed, Debtor/Defendant


Robert A. Todd, OBA #
Attorney for Debtor/Defendant